



Contracting with the Washington State Department of Social & Health Services

Presentation by
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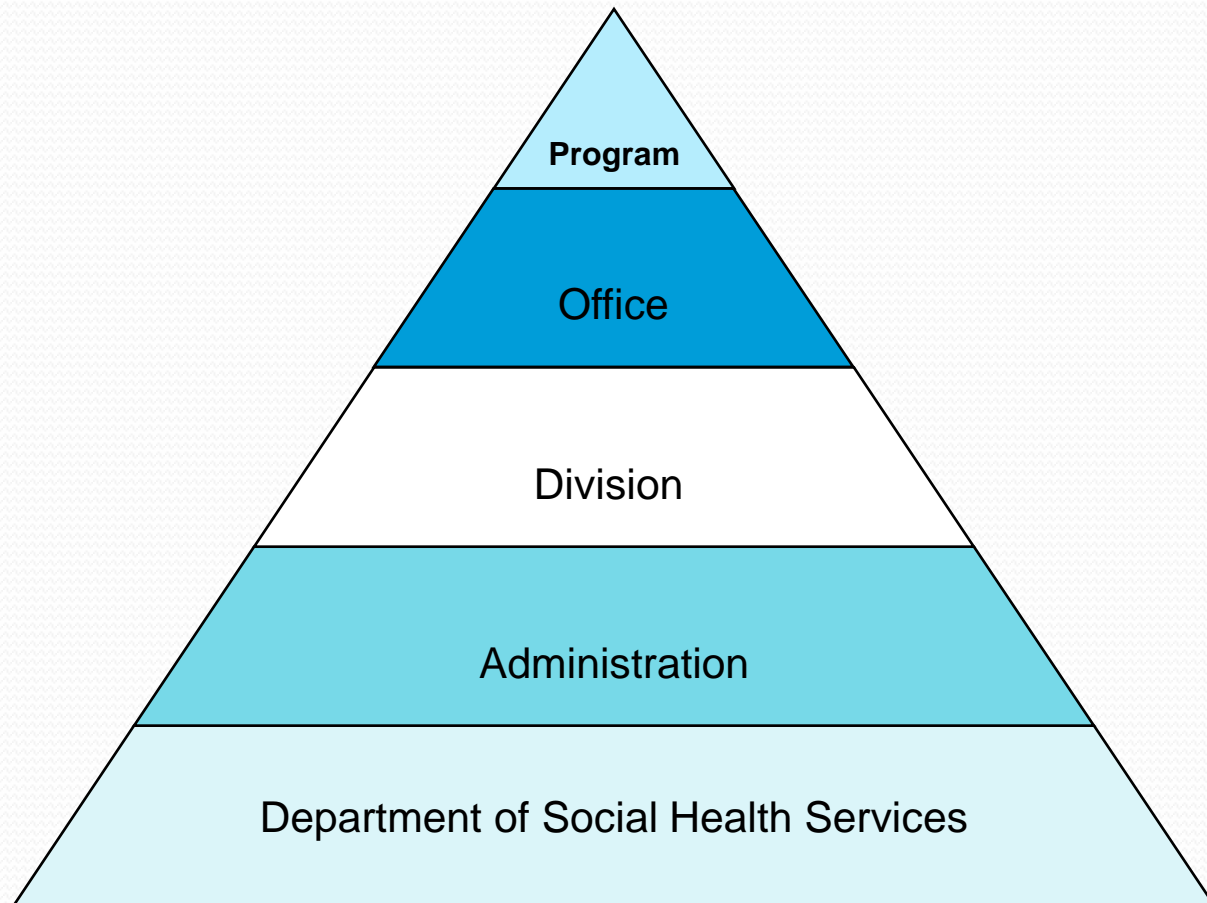
Presentation Outline

- Who We Are
- DSHS Budget
- DSHS Contracts
 - Contract Data
 - Contract Types
- Contractor Selection
 - Opportunities
 - Resources

Who We Are

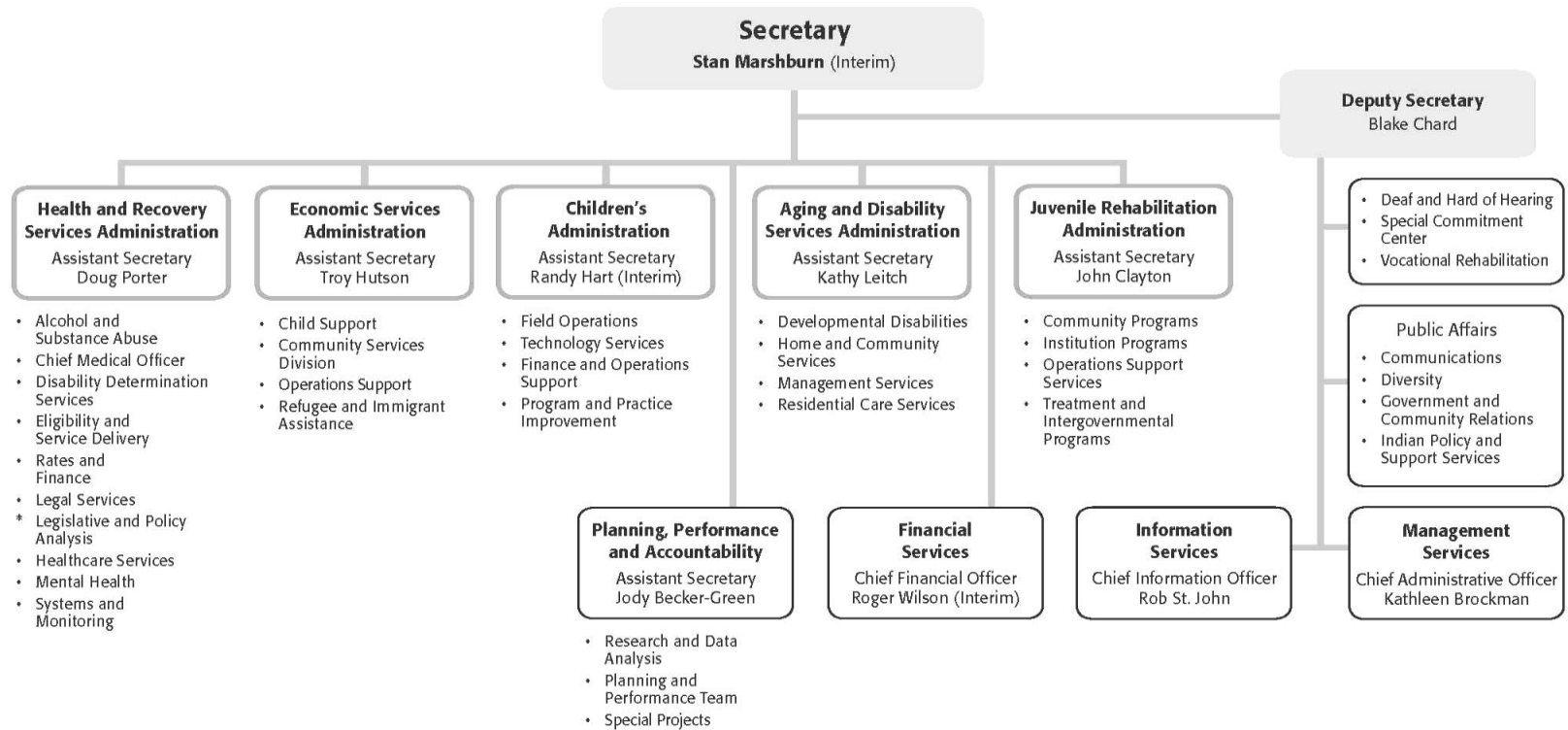
- **Largest state agency in Washington, with over 19,000 employees**
- **Administer a wide array of human services, including child welfare, long-term care, substance abuse treatment and mental health services**
- **Anti-poverty/safety net programs include Basic Food, Temporary Assistance for Needy Families (TANF), Refugee and Immigrant Assistance, and Medicaid**
- **Manage state mental health hospitals and correctional facilities for juvenile offenders and sex offenders**
- **Annually, we serve over 2 million people — one in three state residents, and one out of two children and youth**

DSHS as an Organization



Department of Social and Health Services

<http://www.dshs.wa.gov/geninfo/aboutdshs/>



Effective January 5, 2008

DSHS Services (SFY 2007)

Administration/Programs	Clients Served	Use Rate*
Aging & Adult Services	67,294	1.0%
Alcohol & Substance Abuse	70,847	1.1%
Children's Services	202,796	3.1%
Developmental Disabilities	39,423	0.6%
Economic Services	1,573,385	24.3%
Juvenile Rehabilitation	3,528	0.1%
Medical Assistance	1,279,050	19.7%
Mental Health	125,107	1.9%
Vocational Rehabilitation	28,028	0.4%
TOTAL	2,150,532	33.2%

*Use Rate: The percent of total state population receiving services

This table shows how many people, by program area, were served by DSHS in SFY07. Please note that many clients are served by more than one DSHS program. Therefore, the table total does not equal the Administration totals.)

DSHS Budget

- Annual budget of \$9.8 billion — represents one-third of state budget
- Nearly 70% goes to contracted service providers
- Out of 60,604 contracts:
 - 1,824 are with non-profits
 - 1,967 are with private businesses, corporations
 - 3,152 are with other state agencies and local
 - 53,661 are with individuals (caregivers)
- Contracted providers include local hospitals, nursing homes, non-profit and for-profit agencies, group homes, and individual caregivers

DSHS Contracts Data

Number of Current DSHS
Contracts by Contractor Type

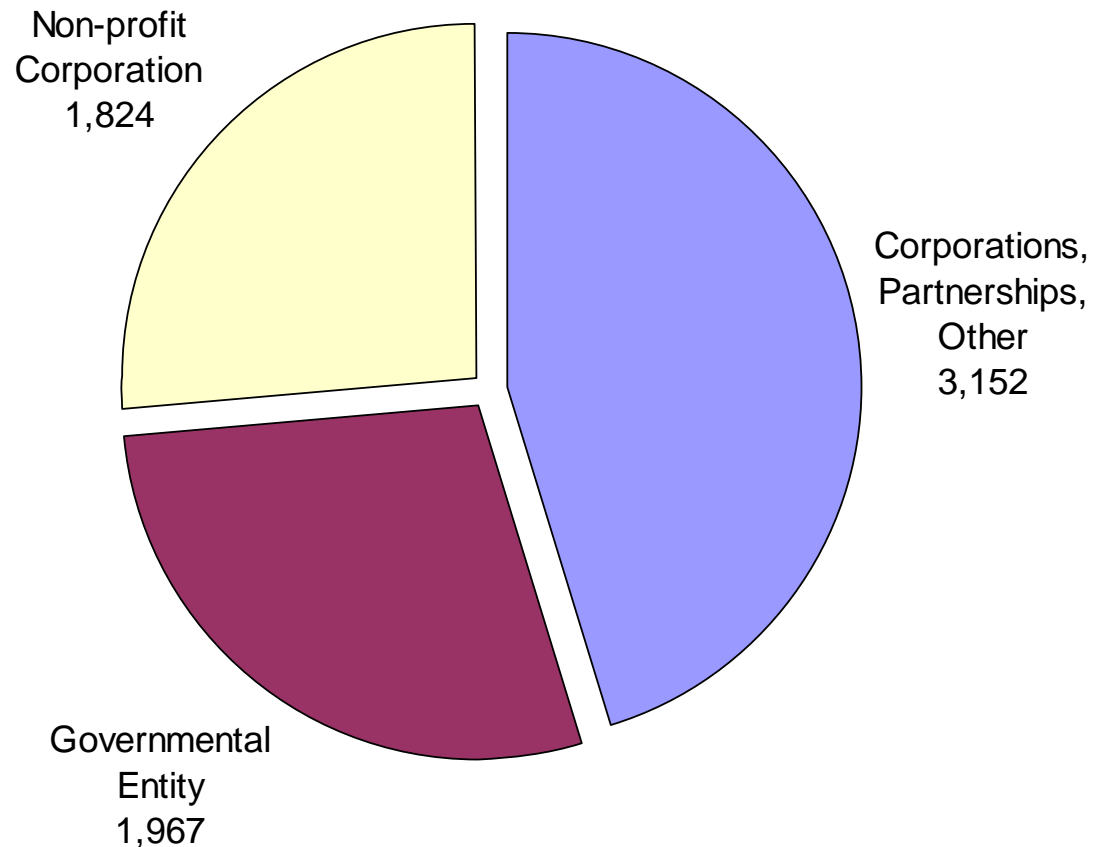
Contractor Type	Number of Contracts
Corporations, Partnerships	3,152
Governmental Entity	1,967
Non-profit Corporation	1,824
SubTotal:	6,943
Sole Proprietor	53,661
Total:	60,604

DSHS Contract Service Examples

Description of Service	Number of Active Contracts	Clients	Rate Information
In-Home Care Individual Provider Services	48,787	Aging Adults/Dev. Disabled clients in their own homes	Non-Professional; starting at \$10.03/hr
Adult Family Home	2,316	Aging adults in small residential facilities	Residential setting; rates set by region; range from \$48 to \$169/day
Professional Services (Assessments, treatment & evaluations)	474	Children and families	Professional, licensed providers; by service ranging \$20 to \$100/hr
Agency Respite Care (In-Home care provided by agency staff)	300	Developmentally disabled adults and children	Non-Professional; ranging from \$9.20 to \$15.28/hr
Consultative Psychological and Testing Examination	147	Clients seeking disability determinations	Professional, licensed providers; published rates by service ranging from \$193.82 to \$635.20

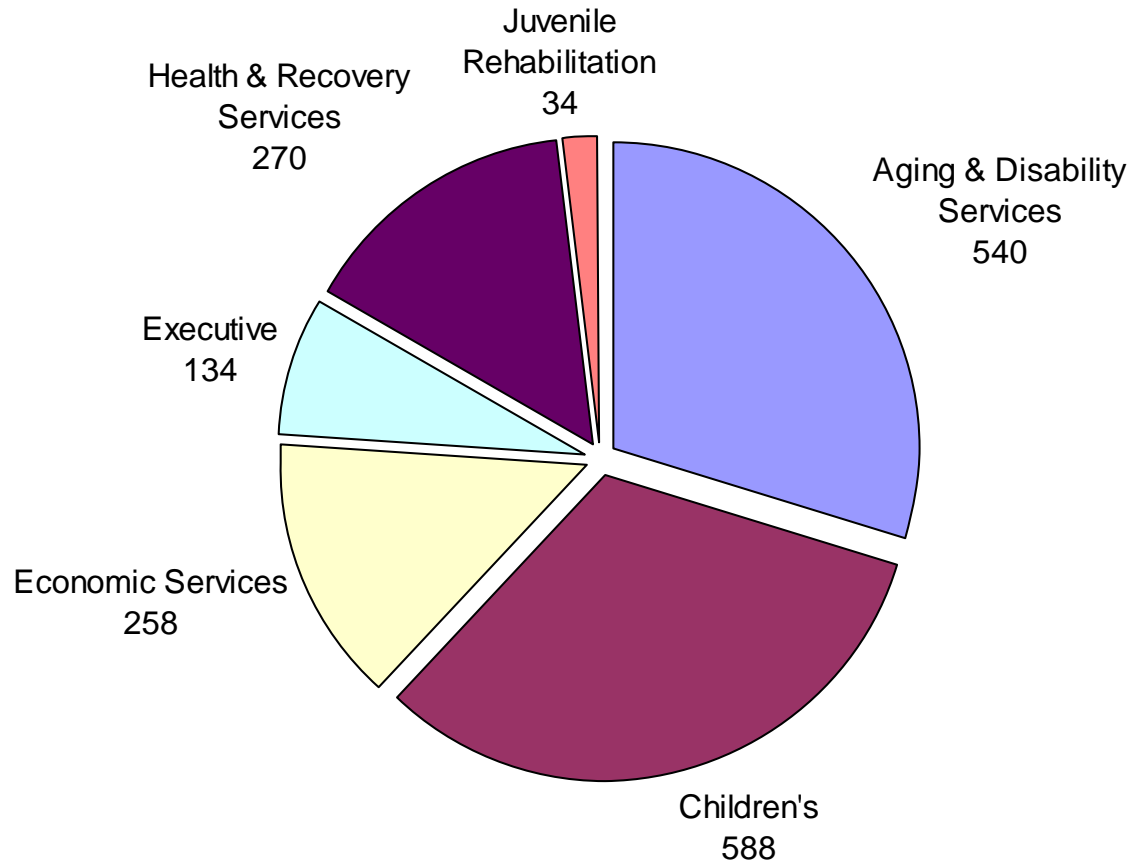
DSHS Contracts Data

Number of Contracts by Contractor Type *(Exc. Sole Proprietors)*



DSHS Contracts Data

Number of Contracts w/Non-Profits By DSHS Administration



Types of Contracts

- **Personal Services**

- Provided to DSHS by a consultant to accomplish a specific study, project, task, or other work statement

- **Purchased Services**

- Provided by a vendor to accomplish routine, continuing, and necessary functions

- **Client Services**

- Services provided directly to agency clients

Note: Client service contracts account for **95%** of all DSHS contracts. Out of the approximately 60,000 DSHS contracts, 57,000 are client service.

Personal Service Contracts

- Professional or technical services provided to DSHS by consultant(s) in order to accomplish a specific study, project, task, or other work that directly benefits the Department.
- Consultant provides independent, unbiased perspective on a problem – requiring expertise and professional judgment.

Personal Service Contracts

- **Personal service contracts are subject to State competition rules**
 - As such, they are advertised to the public and awarded via a competitive process to the most qualified bidder
- **Examples:**
 - Actuarial Services
 - Information Services
 - Feasibility Studies/Quality Assurance
 - Strategic Planning

Competitive Process:

Personal Service Contract Requirements

Dollar Thresholds

- \$1 - \$4,999 Competitive Process not Required
- \$5,000 - \$19,999 Informal Competition,
“Evidence of Competition”
- \$20,000+ Formal Competition

Purchased Services

- Goods and services provided by a vendor to accomplish repetitive, continuing, and necessary functions or goods purchased for clients.
- Generally, more routine needs of an agency for general support activities. Examples include: Painting, Janitorial services, Landscaping, Language Translation
- Purchased services include, but are not limited to those acquired by the General Administration Procurement Office or the Department of Information Services, and the Information Services Board.

Competitive Process:

Purchased Services Contract Requirements

Dollar Thresholds

- **\$1 - \$3,300** Competitive Process not required - limited to one-time purchases.
- **\$3,300 - \$46,200** Require quotations from at least three vendors, referred to as an Informal Request for Quote (RFQ).
- **\$46,200+** Require sealed competition, referred to as a Formal Sealed Request for Proposal (RFP).

Client Service Contracts

- Clients of DSHS are members of the public, external to state government who have social, physical, medical, economic or educational needs.
- Client services are services provided directly to agency clients (individuals) for whom the agency has statutory responsibility to serve, protect, or oversee.
 - Examples of Client Service Contracts include:
 - Foster Parent Services
 - Early Intervention Services for Infants and Toddlers
 - Adult Family Home Attendance Care
 - Substance Abuse Prevention and Treatment

Client Service Contracts

- Client Service contracts are EXEMPT from Competition Requirements
- **Reason: need flexibility to meet client needs**
- However, programs often choose to use a formal competitive procurement process because:
 - Avoids appearance of favoritism
 - Transparency in government
 - Increases competition
 - Can result in lower service prices
 - Encourages innovation
 - Condition of federal funding

Client Service Contracts –

Key Benefits

- **Extends our service reach well beyond what is possible with state workforce**
- **Fosters innovation and entrepreneurship (unhampered by civil service rules and restrictions)**
- **Taps into local knowledge of community needs**
- **Stretches limited public dollars – allows us to leverage outside expertise and resources**
- **Directly supports local economies and jobs – contracts with non-profits are worth over \$1 billion**

Types of Contractors

that DSHS contracts with

- Non-profits
- Private Businesses
- Sole Proprietors
- Other State Agencies
- Local Government Entities (counties, cities, school districts, public universities and colleges)

Selecting DSHS Contractors

Competitive Procurements in Washington State involve:

- State laws dictate how state contracts are procured; provides for public review of contracts - Office of Financial Management (OFM)
- The submission of proposals by contractors to a neutral procurement coordinator
- The evaluation of proposals by impartial evaluators unaffiliated with the procurement process
- Evaluations of proposals may include:
 - Quality, experience, and technical capabilities of Contractor in response to procurement criteria
 - Cost or price is an element in evaluation but the selection need not be driven by price
- Contractor selection is made by program – Not the procurement coordinator or the evaluators

What makes a proposal competitive?

- Submission of Proposal, why details matter:
 - Thorough, professional responses make your bids more competitive
 - Analyze scope of procurement
 - Minimum Qualifications
 - Review Sample Contract
 - Provide what is asked
 - Consider Scoring
 - Follow Administrative Requirements
 - For every process there are administrative requirements, omission of one of these requirements may result in disqualification of your proposal.

Three Keys to the Proposal

Submitted By the Bidder


Technical Proposal

What is to be done and how?

 - Find out what the organization can provide, and how they will provide it

Management Proposal

Who is to do the work and under what terms?

 - Determine whether the organization will be capable of producing what they say they can

Cost Proposal

How much will it cost?

 - Obtain the best value for the state

Contracting Opportunities

- Learn about the programs you want to serve:
 - Programs work with local communities and stakeholders to identify program goals, service delivery approaches, and contract terms and conditions
 - By learning about the program you can know what the program is intending to buy and when it is likely to be bought
 - Becoming familiar with DSHS programs will allow you to tailor your proposal to their needs
 - There are a lot of services you don't provide, knowing which programs buy the services you provide can save you time and resources

Resources

- **The DSHS website (www.dshs.wa.gov):**
 - Understand DSHS organization
 - A list of programs administered by DSHS
 - Procurement Opportunities
- **Seattle Daily Journal of Commerce (www.djc.com)**
 - Advertising publication for DSHS
 - Sole Source Notices

Resources: WEBS

- Washington's Electronic Business Solution (WEBS)
- All DSHS procurements that require advertising are required to be posted to WEBS (except Sole Source)
- Managed by the Dept. of General Administration (GA)
 - Matches the needs of state agencies with registered WEBS vendors.
 - State agencies post business opportunities on WEBS using one or more Commodity Codes matching the services they need.
 - Vendors /contractors need to register on WEBS
 - Select one or more Commodity Codes matching the services you provide.

Resources: WEBS

- Main DSHS Commodity Codes:
 - **9825** - Social/Client Service Contractors
 - **9826** - Social Services Personal Consulting
- For more information on the WEBS registration process, contact webcustomerservice@ga.wa.gov or (360) 902-7400.

Valuable Websites

- **DSHS:**
 - Main site: www.dshs.wa.gov
 - Procurements: www1.dshs.wa.gov/msa/ccs/
- **GA:**
 - Main site: www.ga.wa.gov
 - WEBS: <https://fortress.wa.gov/ga/webscust/>
- **OMWBE:**
 - www.omwbe.wa.gov/businesses.shtml
- **OFM:**
 - www.ofm.wa.gov

Questions?

